APA Group

Financial Results
Half year ended 31 December 2012

20 February 2013

Result overview and strategic highlights

Mick McCormack
Managing Director and CEO

Delivering on long term strategy

- Expanded energy infrastructure portfolio
  - Increasing pipeline and gas storage capacity across most states
  - Successful acquisition of HDF
  - Addition of the Epic Energy assets enhance APA's portfolio and establish east coast pipeline network
  - Construction of inter-related energy infrastructure – Diamantina Power Station and Mondarra Gas Storage Facility
- Strengthened balance sheet
  - $1.8 billion new senior and subordinated debt
  - 183 million new APA securities
  - Debt and equity funding for the acquisition of HDF and repayment of HDF debt
- Customer focused
  - Developing tailored services for customers across APA's portfolio

Result overview

$ million	1H13	1H12	Change	
Normalised results [1]				
EBITDA	324	270	up	20 %
Profit	98	76	up	29 %
Operating cash flow	213	157	up	35 %
Operating cash flow per security (cents)	29.8	24.7	up	21 %
Statutory results				
EBITDA	424	279	up	52 %
Profit	212	66	up	221 %
Operating cash flow	144	157	down	9 %
Operating cash flow per security (cents)	20.2	24.7	down	18 %
Distributions				
Distribution per security (cents)	17.0	17.0	stable	-
Distribution payout ratio [2]	66.2%	69.2%		

(1) Normalised results exclude significant items. Significant items includes payment of fees made by HDF, costs in relation to the acquisition of HDF, gain on APA's previously held interest in HDF and reversal of some costs booked in relation to the sale of the Allgas business in 2011.

(2) Based on normalised operating cash flow.

Strategic and operational highlights

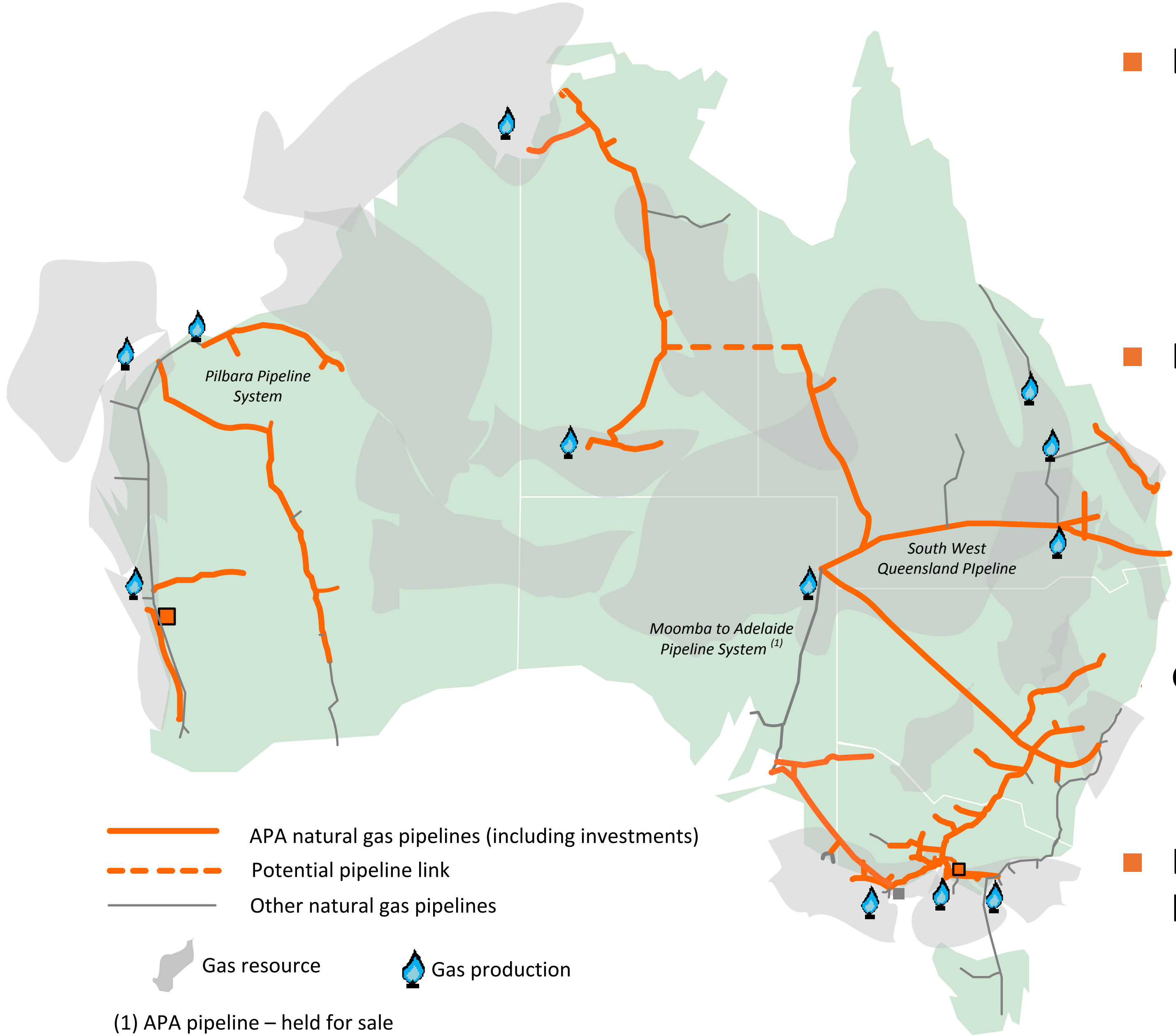
- Major assets operating at full capacity, including the newly acquired Epic Energy assets
- Continuing expansion and development of infrastructure assets:

Roma Brisbane Pipeline	10% increase in capacity via additional compression and 40km pipeline looping ▪ Commissioned September 2012
Mondarra Gas Storage Facility	▪ Major construction work on surface facilities completed February 2013 ▪ Pre-commissioning work commenced ▪ Scheduled for operation in mid-2013
Goldfields Gas Pipeline	Two projects providing 28% increase in capacity via additional compression ▪ Construction underway on compressor station sites and metering and off-take facilities ▪ Scheduled to meet gas delivery commitments in FY 2014
Victoria Transmission System	Northern augmentation project ▪ Euroa compression station commissioned October 2012
Moomba Sydney Pipeline	▪ Final year of five-year expansion project of the mainline
Diamantina Power Station	242 MW gas fired power station plus 60 MW back-up generation – APA/AGL joint venture ▪ Construction progressed with all 4 gas turbines installed on foundations ▪ Both Diamantina and back up generation expected to be fully operational in CY 2014. ▪ Finalised limited-recourse project financing
Moomba compression	▪ Long lead items procured and earthworks underway ▪ Scheduled for completion in mid-2014
Wallumbilla compression	▪ Long lead items procured ▪ Scheduled for completion in early 2015

Successful completion of HDF acquisition

- Addition of the South West Queensland Pipeline fulfils APA's long term strategy of developing an east coast pipeline network
- Addition of the Pilbara Pipeline System to APA's existing infrastructure positions APA to capture further growth in the mineral-rich Pilbara region
- Value accretive acquisition, with secure long term revenue contracts and growth opportunities
- Integration of the South West Queensland Pipeline and the Pilbara Pipeline System into APA's pipeline business
- Separation for sale of the Moomba Adelaide Pipeline System
- Initial savings with the removal of the external manager and head office functions
- Incremental revenue synergies as services are developed across the APA network

APA's transformed gas infrastructure portfolio



(1) APA pipeline – held for sale

- Larger interconnected portfolio
  - East coast pipeline network
  - Ability to deliver enhanced gas transport and storage services to customers
- Increased industry efficiency
  - Enhanced gas supply competition
  - Increased flexibility in moving and storing gas through the network
  - Supply security
- Growth opportunities
  - Across the portfolio, including SWQP and PPS
- Leveraging APA's industry knowledge and skillset

APA Group

Financial performance

Peter Fredricson
Chief Financial Officer

Key accounting dates

Consolidation of HDF accounts	9 October 2012
Transfer of responsible entity to APA	17 December 2012
HDF acquisition completed	24 December 2012
Repayment of all HDF's debt facilities	24 December 2012

Solid, consistent result

$ million			1H13	1H12	Change	
	Normalised	Significant items	**Statutory**	**Statutory**	Normalised	**Statutory**
Revenue excluding pass-through[1]	452.1	-	452.1	399.6	13.1 %	13.1 %
EBITDA	324.5	99.2	423.7	278.9	12.2 %	51.9 %
Depreciation and amortisation	(63.8)	-	(63.8)	(56.3)	(13.4)%	(13.4)%
EBIT	260.7	99.2	359.9	222.6	11.9 %	61.7 %
Net interest expense	(140.2)	8.7	(131.5)	(131.7)	6.5 %	0.2 %
Pre-tax profit	120.5	107.9	228.4	90.9	19.0 %	151.2 %
Tax	(25.0)	5.8	(19.2)	(24.9)	(0.4)%	22.8 %
Minorities	2.8	-	2.8	-	nm	nm
Net profit	98.3	113.7	212.0	66.0	28.7 %	221.1 %

(1) Pass-through revenue is revenue on which no margin is earned.

Significant items - reconciliation

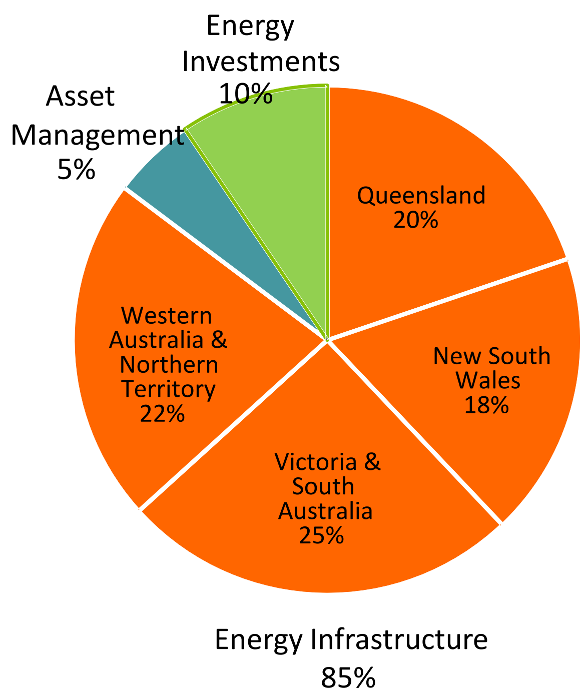
$million		1H13
Significant items impacting EBITDA		
Incurred by APA		
Write back of transaction costs in respect of Allgas sale	18.6	
Gain on APA's previously held interest in HDF	142.3	
Transaction and integration costs on acquisition of HDF	(19.3)	
	141.5	
Incurred by HDF		
Fees charged to HDF by Hastings Funds Management	(35.4)	
Takeover response costs incurred by HDF Group(1)	(6.9)	
	(42.4)	99.2
Finance costs - gain on settlement of HDF interest rate swaps		8.7
Total significant items before tax		107.9
Income tax related to significant items		5.8
Total significant items after tax		**113.7**

(1) Post acquisition – total incurred including pre-acquisition costs amounted to $28.6 million

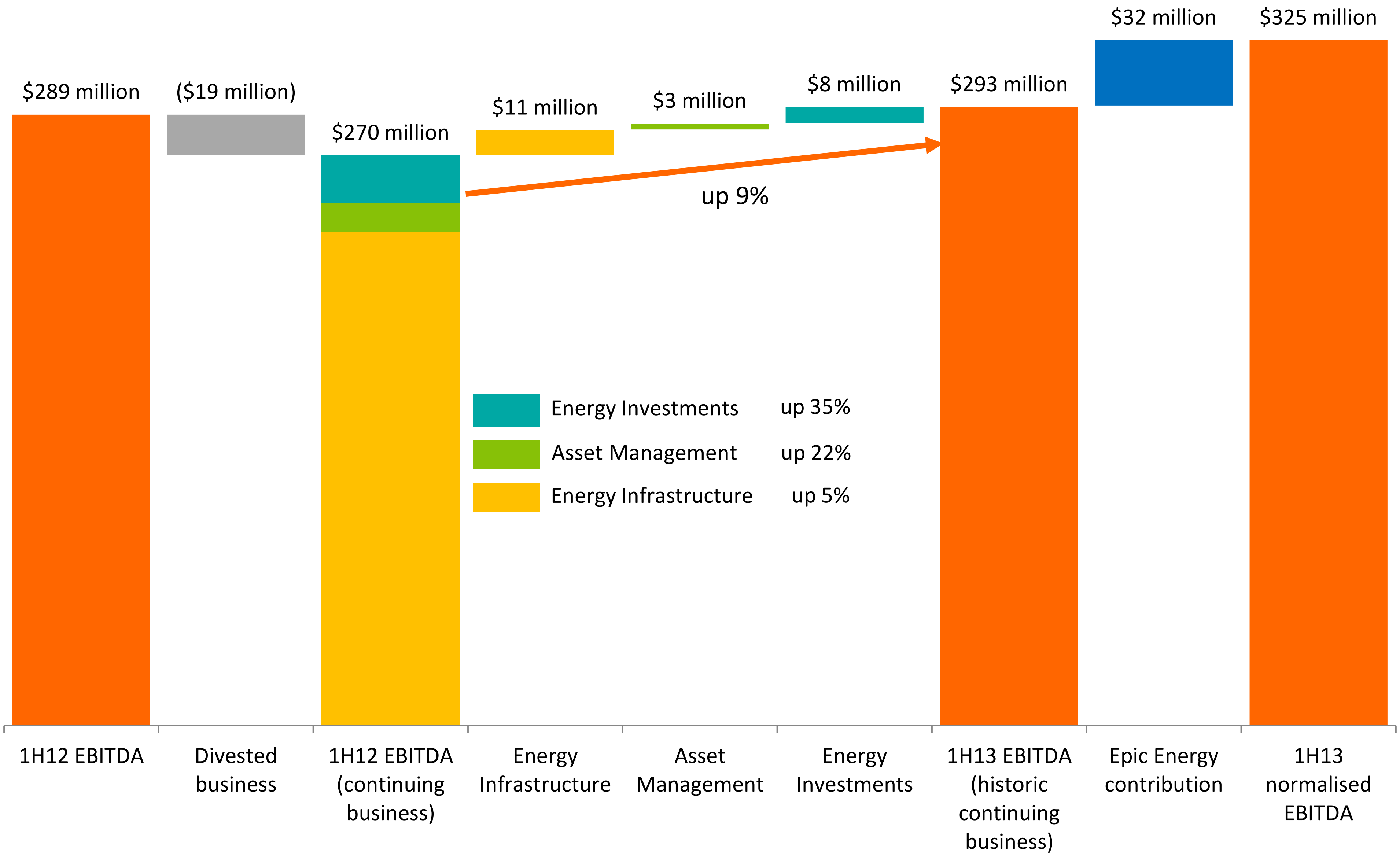
EBITDA by business segment

$ million	1H13	1H12	Change
Energy Infrastructure			
Queensland	*64.3*	*41.7*	*54.3 %*
New South Wales	*58.8*	*60.2*	*(2.3) %*
Victoria & South Australia	*82.3*	*66.8*	*23.2 %*
Western Australia & Northern Territory	*71.3*	*64.5*	*10.5 %*
Energy Infrastructure total	276.6	233.1	18.6 %
Asset Management	17.2	14.0	22.4 %
Energy Investments	30.7	22.9	34.8 %
Total EBITDA continuing business	**324.5**	**270.0**	**20.2 %**
Divested business		19.3	
Significant items	99.2	(10.4)	
Total EBITDA after significant items	**423.7**	**278.9**	**51.9 %**

1H13 EBITDA by business segment (continuing business)



EBITDA growth contributions



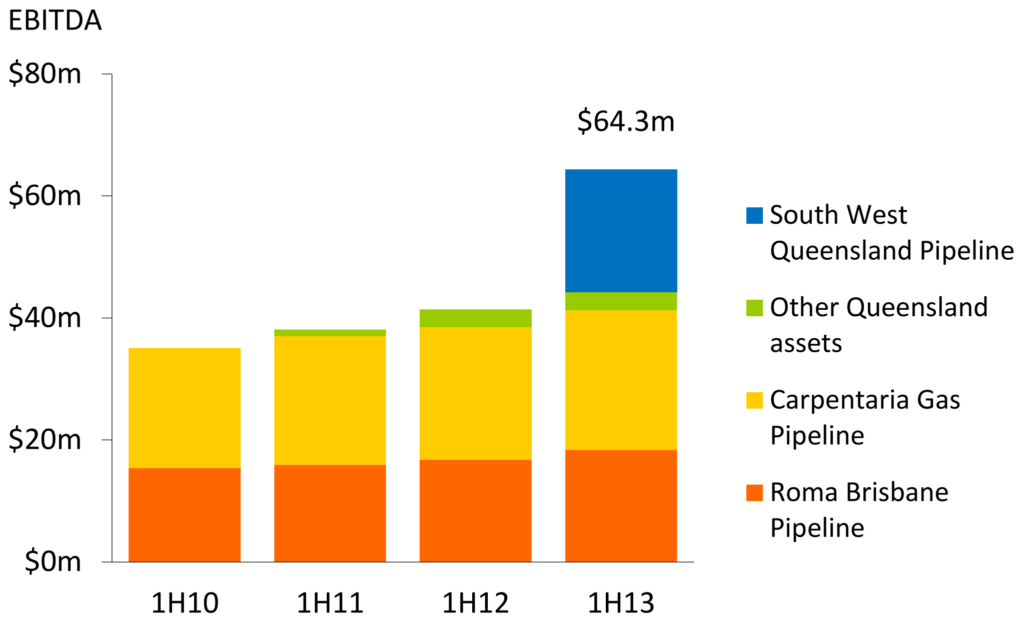
Energy Infrastructure

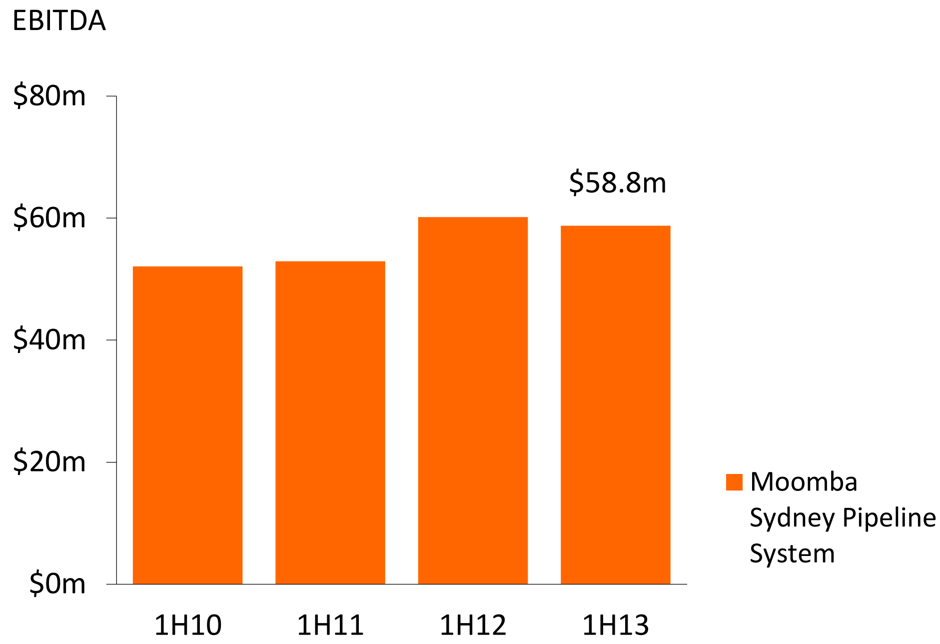
Queensland

- Roma Brisbane Pipeline expansion commissioned in September 2012
- South West Queensland Pipeline 3 months' contribution
- Long term agreement for compression services at Wallumbilla

New South Wales

- Moomba Sydney Pipeline – final year of 5-year expansion program
- Spare capacity re-contracted in January 2013





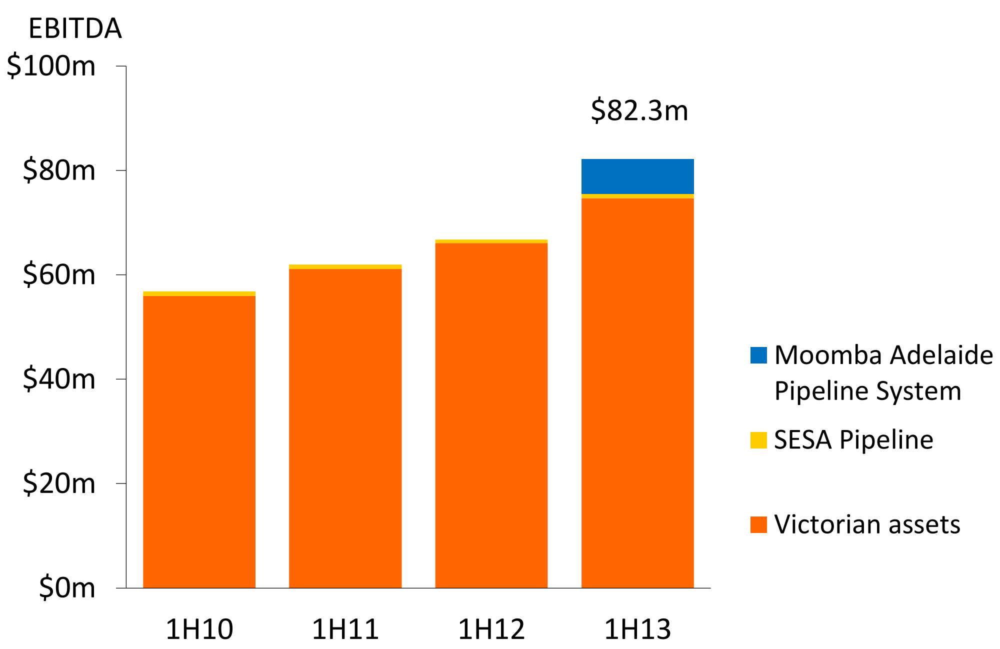
Energy Infrastructure

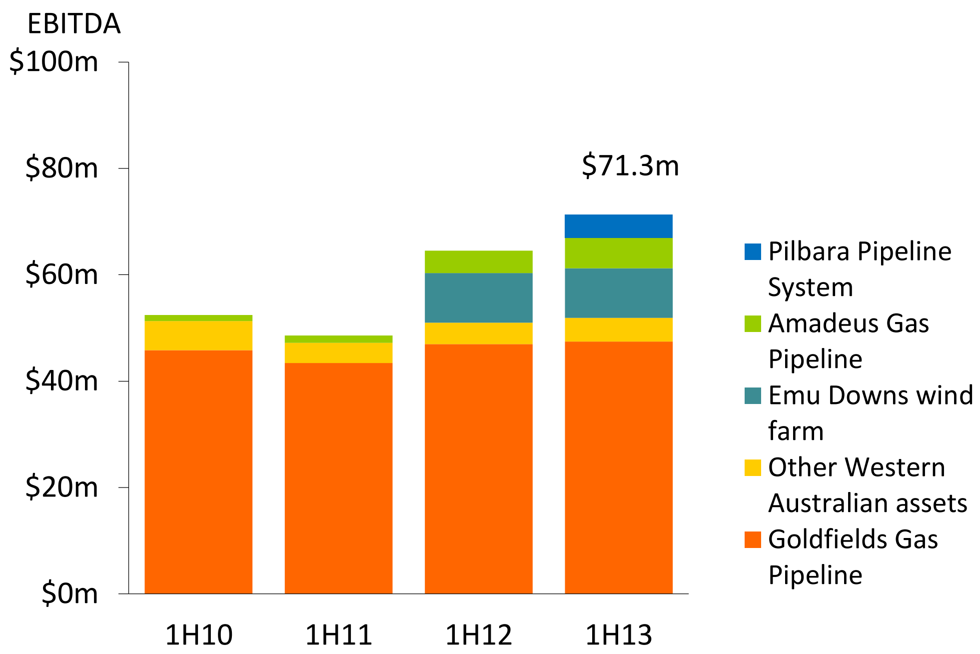
Victoria & South Australia

- 3% increase in gas flow due to cooler weather and northern gas exports
- Euroa compressor station commissioned – part of the northern augmentation stage 2
- Revised Victorian Transmission System Access Arrangement proposal submitted
- Moomba Adelaide Pipelines System 3 months ' contribution

Western Australia & Northern Territory

- Goldfields Gas Pipeline expansions – construction underway on compression and off-take facilities
- Mondarra Gas Storage Facility expansion – nearing completion with surface works in commissioning phase
- Pilbara Pipeline System 3 months' contribution

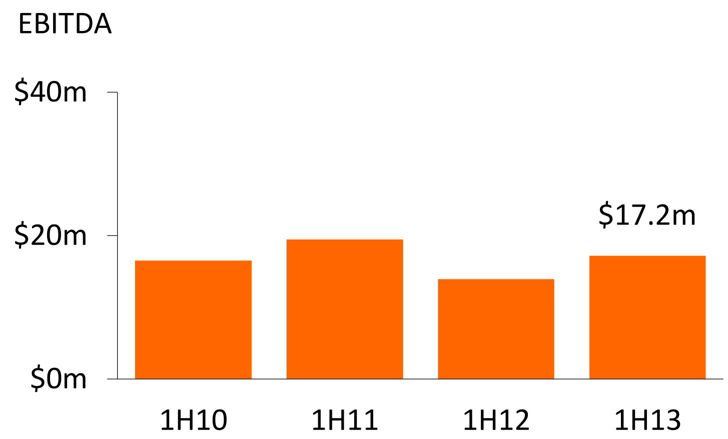




Asset Management and Energy Investments

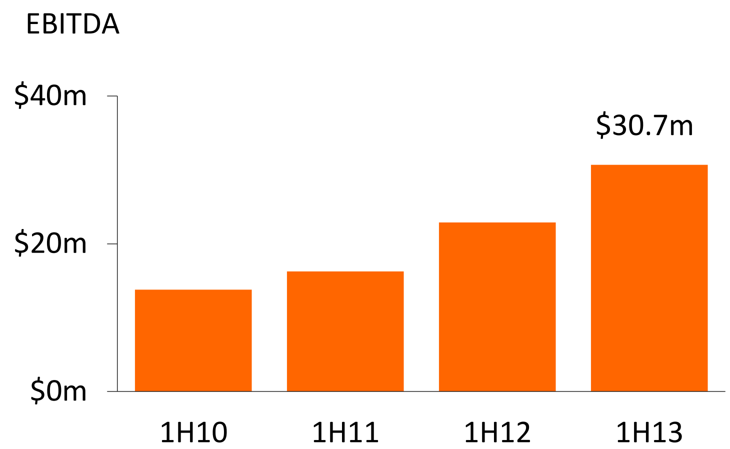
Asset Management

- Increased payment for services under long term contract
- Additional asset management revenue – GDI (EII)

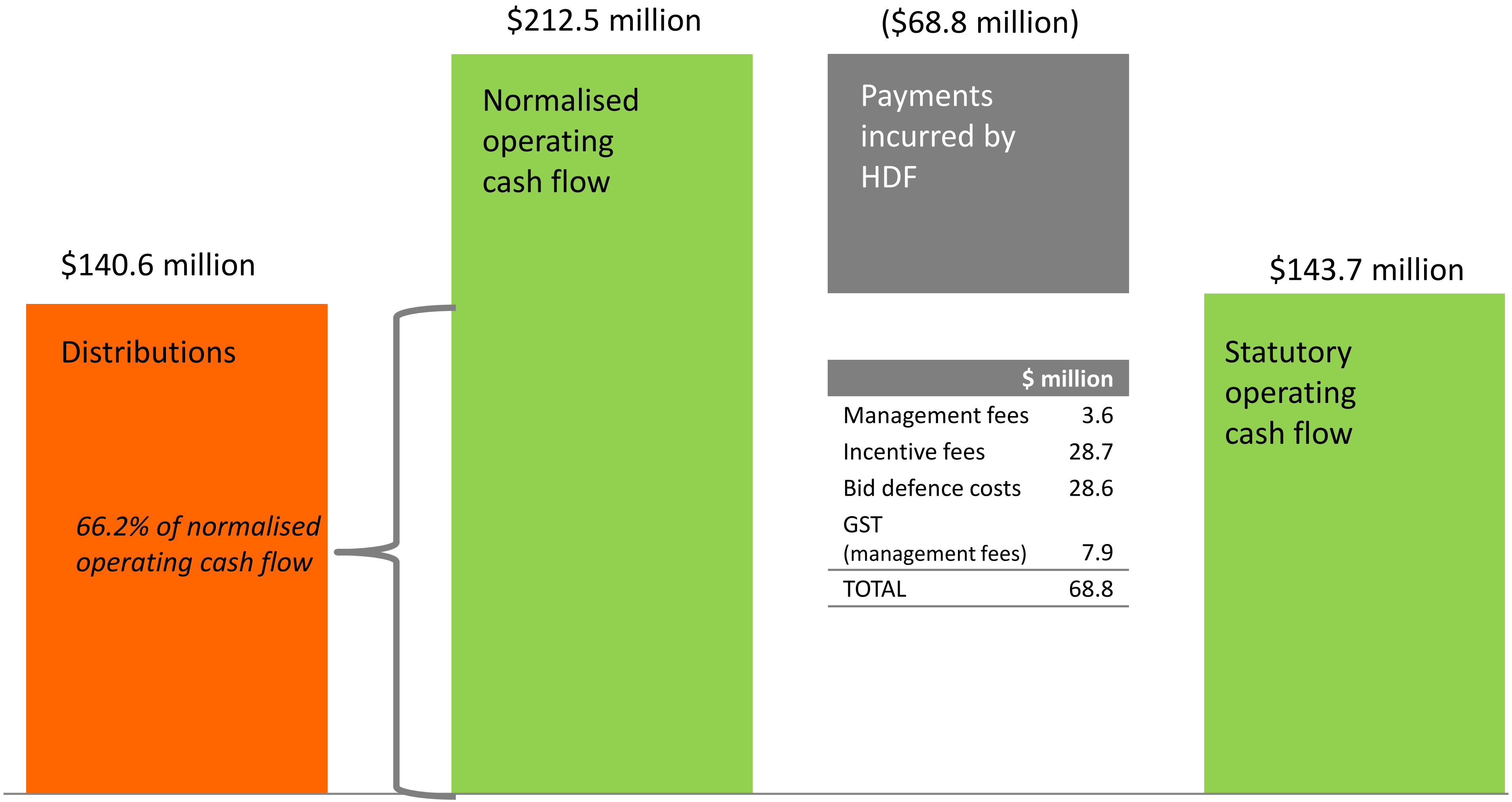


Energy Investments

- Increased investment returns – Envestra
- Increased interest in Envestra
- Removal of HDF from the Energy Investment segment following takeover and consolidation
- Additional investment returns – GDI (EII)



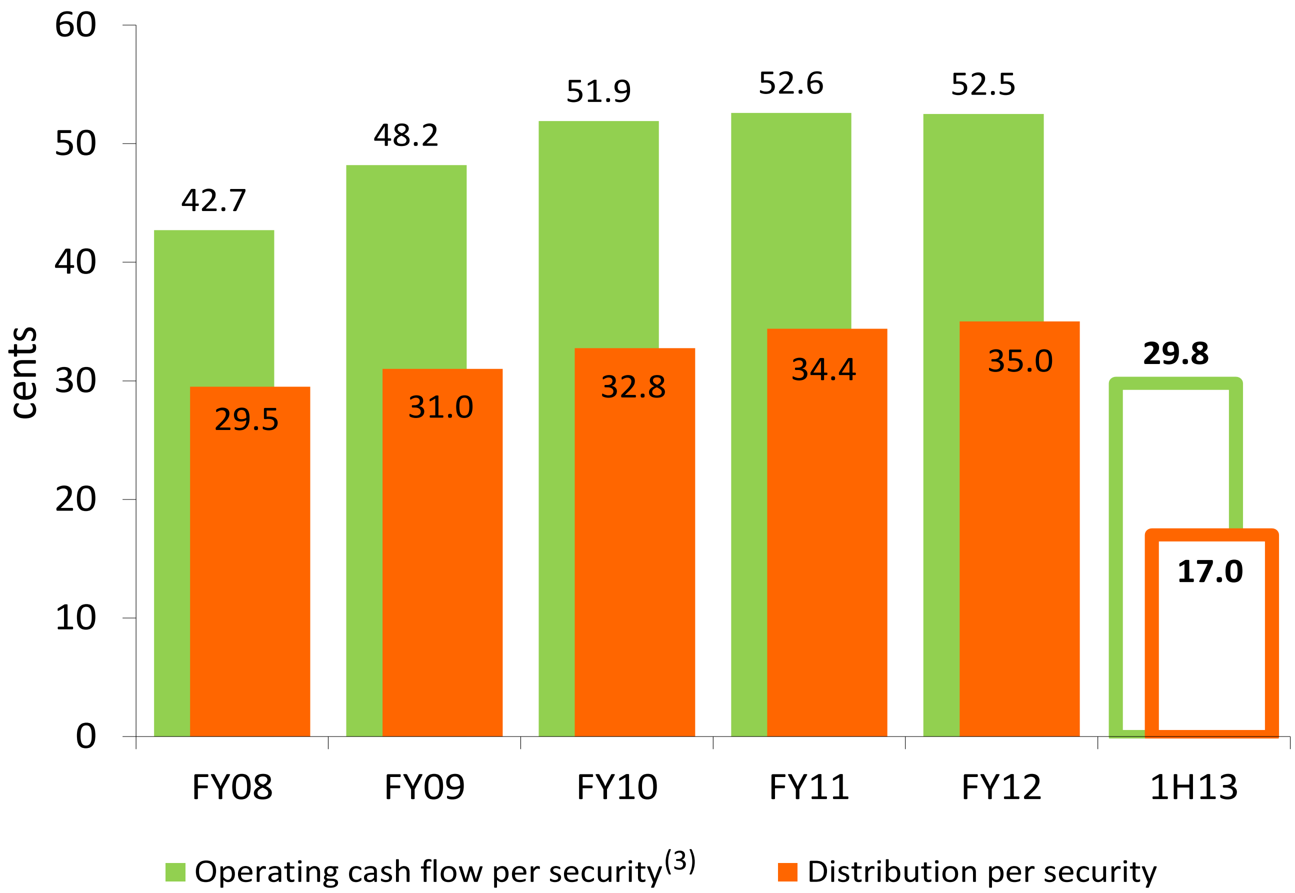
Distribution payout metrics



	$ million
Management fees	3.6
Incentive fees	28.7
Bid defence costs	28.6
GST (management fees)	7.9
TOTAL	68.8

Fully covered distributions

On target to deliver distribution guidance for FY 2013



- 1H13 distribution payout ratio(1) of 66.2% (2)
- Distribution components:

  17 cents profit distribution
  No capital distribution

(1) Distribution payout ratio: distribution payments as a percentage of operating cash flow
(2) Operating cash flow per security and payout ratio for 1H12 impacted by payment
(3) Based on normalised operating cash flow

Capital expenditure

$ million	1H13	Major projects in 1H13	1H12
Growth capital expenditure			
Regulated (2)	13.9	Victoria Transmission System	21.6
Major Projects			
Queensland expansion	23.7	Roma Brisbane Pipeline expansion; South West Queensland Pipeline eastern haul and Moomba compression	13.3
New South Wales expansion	13.4	Moomba Sydney Pipeline mainline expansion	9.3
Western Australia expansion	112.0	Mondarra Gas Storage Facility; Goldfields Gas Pipeline expansions	28.8
Other	14.9	Victoria LNG and metering; Amadeus Gas Pipeline services	6.8
	163.9		58.2
Total growth capex	**177.8**		**79.8**
Stay in business capex	**9.9**	Includes Epic Energy	**9.2**
Total	**187.7**		**89.0**

(1) Capital expenditure represents cash payments as disclosed in the cash flow statement for 1H13 and 1H12
(2) 1H12 includes capex for Allgas distribution system

Strong balance sheet

$ million	31 Dec 2012	30 Jun 2012	Change
Current assets	633	584.5	8.3 %
Property, plant and equipment [(1)]	5,149	3,472.2	48.3 %
Other non-current assets	1,963	1,439.4	36.4 %
Total Assets	**7,744**	**5,496.1**	**40.9 %**
Current debt	71	-	nm
Other current liabilities	386	301	28.3 %
Total current liabilities	457	301	52.0 %
Long term debt	4,274	2,906	47.1 %
Other long term liabilities	508	675	(24.8)%
Total long term liabilities	4,782	3,581	33.5 %
Total Liabilities	**5,239**	**3,882**	**35.0%**
Net Assets	**2,505**	**1.614**	**55.2%**

(1) Excludes asset held for sale

Capital management

- Cash and committed undrawn facilities of $712 million at 31 December 2012

Metrics	31 Dec 2012	30 Jun 2012
Gearing (1)	64.2 %	65.0 %
Interest cover ratio	2.41 times	2.48 times
Average interest rate applying to drawn debt(2)	7.46 %	7.39 %
Interest rate exposure fixed or hedged	80.1 %	80.9 %
Average maturity of senior facilities	6.5 years	4.8 years

- Equity: $34 million equity raised through the Distribution Reinvestment Plan

  178 million new securities issued at average $5.035 per security as acquisition consideration

  Debt: $515 million Subordinated Notes in September 2012

  A$735 million 10-year US144a/Reg S Notes in October 2012

  A$536 million 12-year GBP Medium Term Notes in October 2012

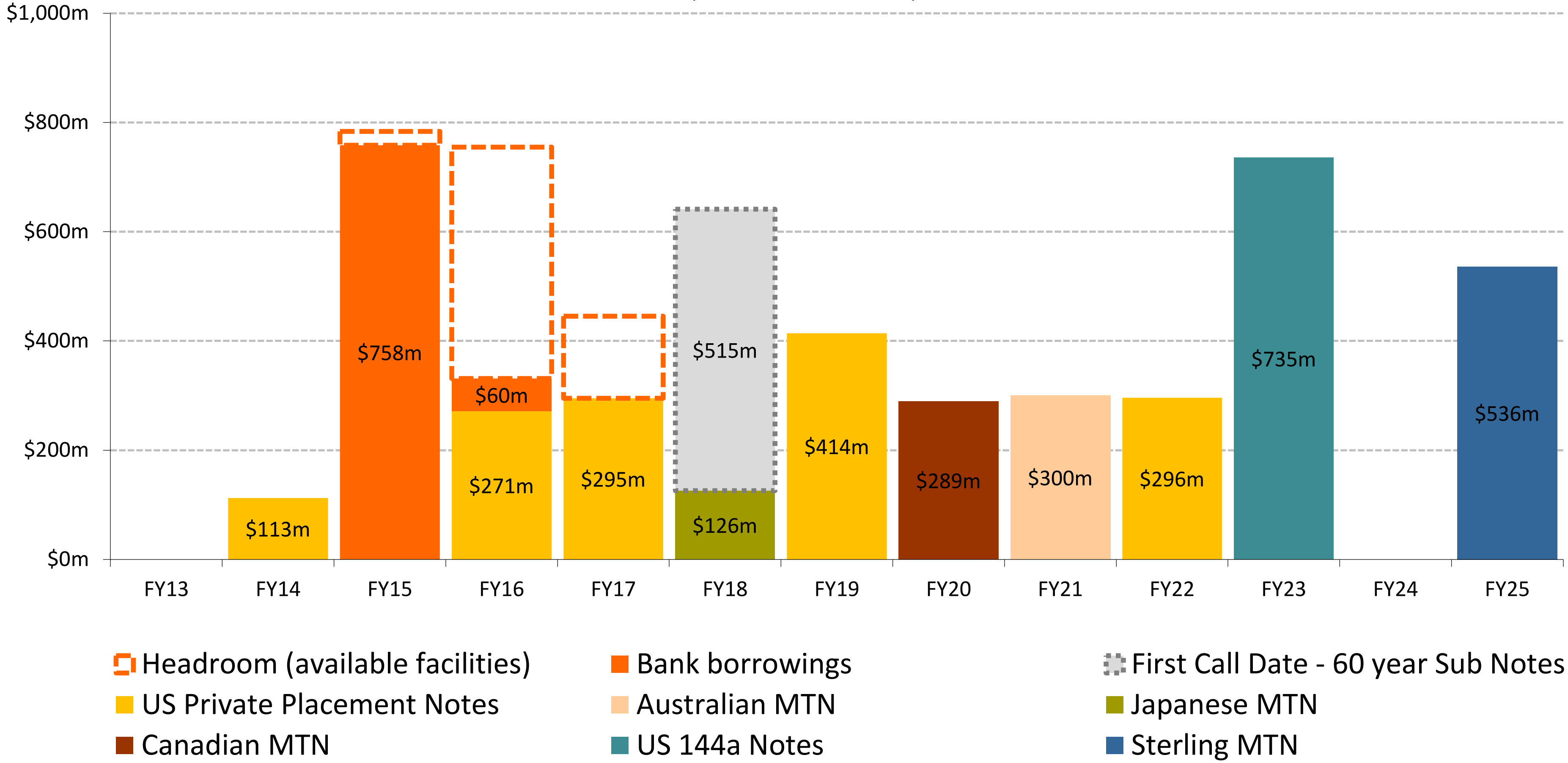
  Repayment of HDF debt totalling $1,325 million and termination of associated facilities

(1) Ratio of net debt to net debt plus book equity
(2) Includes subordinated debt of $515 million Notes

Capital management

- Continue to target strong BBB/Baa2 investment grade ratings through maintaining sufficient flexibility to fund organic growth and investment from internally generated and retained cash flows and, where appropriate, additional equity and/or debt funding

Debt maturity profile
(31 December 2012)

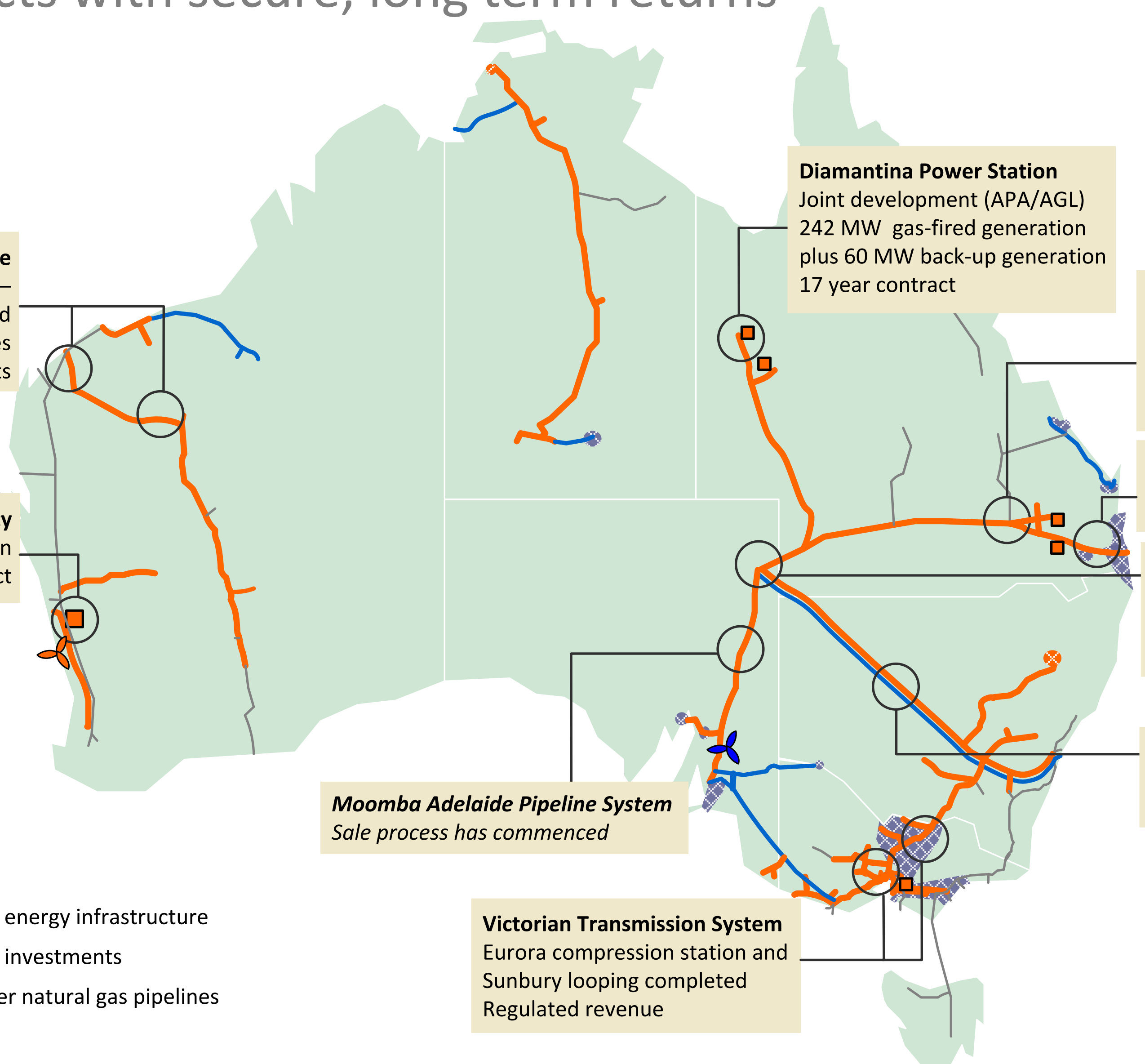


Outlook and guidance

Mick McCormack
Managing Director and CEO

Growth capital projects

Capital projects with secure, long term returns



Goldfields Gas Pipeline
2 x capacity expansion – compressor stations and compressor upgrades
20 year and 15 year contracts

Mondarra Gas Storage Facility
Capacity expansion
20 year contract

Diamantina Power Station
Joint development (APA/AGL)
242 MW gas-fired generation plus 60 MW back-up generation
17 year contract

Wallumbilla Compression
Expanded compression capacity and associated services
15 year contract with a further 5 to 10 year option

Roma Brisbane Pipeline
Capacity expansion completed
2 contracts up to 15 years

South West Queensland Pipeline Moomba Compressor Station
Capacity expansion
15 year contract

Moomba Sydney Pipeline
Final year of 5 year capacity expansion program

Moomba Adelaide Pipeline System
Sale process has commenced

Victorian Transmission System
Eurora compression station and Sunbury looping completed
Regulated revenue

APA energy infrastructure
APA investments
Other natural gas pipelines

Outlook and guidance for FY 2013

Outlook

- Continued construction and development of expansion projects
- Integration of South West Queensland Pipeline and Pilbara Pipeline System
- Completion of the sale of Moomba Adelaide Pipeline System

Guidance

- EBITDA – expected within a range of $755 million to $770 million
  - Includes significant items reported in the six months to December 2012
- Net interest cost – expected within a range of $290 million to $295 million
- Distribution – at least equal to FY 2012 total distributions per security of 35 cents

Supplementary information

Revenue by business segment

$ million	1H13	1H12	Change
Energy Infrastructure			
Queensland [(1)]	*86.7*	*55.5*	56.3%
New South Wales	*71.1*	*71.9*	(1.2)%
Victoria & South Australia	*108.4*	*85.3*	27.0%
Western Australia & Northern Territory	*107.0*	*96.7*	10.7%
Energy Infrastructure total	373.2	309.4	20.6%
Asset Management	37.7	34.2	10.0%
Energy Investments	30.7	22.8	34.8%
Total segment revenue	**441.6**	**366.4**	**20.5%**
Pass-through revenue	172.6	130.9	31.9%
Unallocated revenue	10.5	2.4	329.5%
Divested business	-	30.7	nm
Total revenue	**624.7**	**530.5**	**17.8%**

(1) Queensland excludes revenue from Allgas

Debt facilities

Total committed debt facilities at 31 December 2012

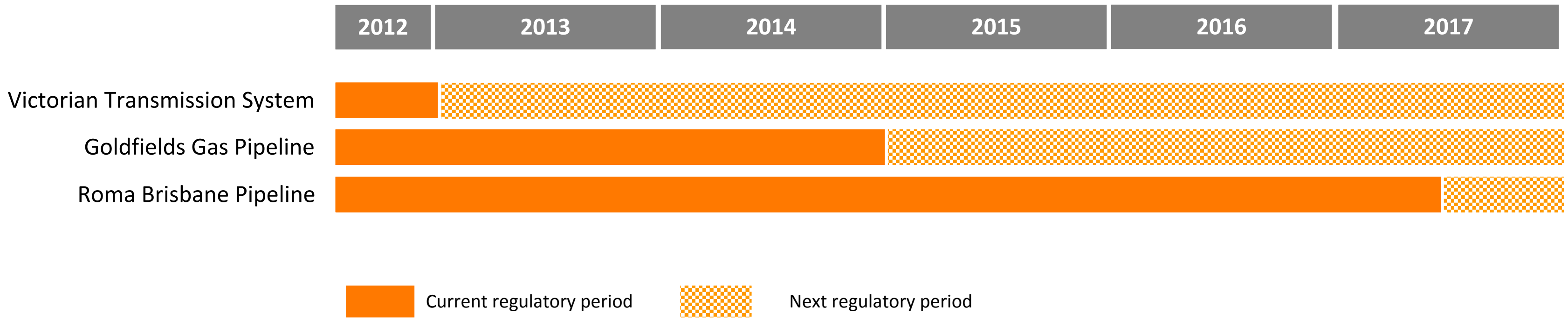
$million[1]	Facility amount	Drawn amount	Tenor
2011 Bilateral borrowings [2]	300	275	3 years maturing July and August 2014
2011 Bilateral borrowing	150	0	5 years maturing October 2016
2011 Syndicated facility [3]	967	543	3 and 4 year tranches maturing November 2014 and 2015
2003 US Private placement	394	394	10, 12 and 15 year tranches maturing September 2013, 2015 and 2018
2007 US Private placement	811	811	10, 12 and 15 year tranches maturing May 2017, 2019 and 2022
2009 US Private placement	185	185	7 and 10 year tranches maturing July 2016 and 2019
2010 AUD Medium Term Notes	300	300	10 year tranche maturing July 2020
2012 JPY Medium Term Notes	126	126	6.5 year tranche maturing in June 2018
2012 CAD Medium Term Notes	289	289	7.1 year tranche maturing in July 2019
2012 US144a/Reg S Notes	735	735	10 year tranche maturing October 2022
2012 GBP Medium Term Notes	536	536	12 year tranche maturing in November 2024
2012 Subordinated Notes	515	515	60 year term, first call date March 2018
Total	**5,303**	**4,705**	

(1) Australian dollars. Any foreign notes issued have been hedged into fixed-rate Australian dollar obligations
(2) Comprises four facilities of $75 million each
(3) Comprises two facilities of $483.3 million each

Regulatory update

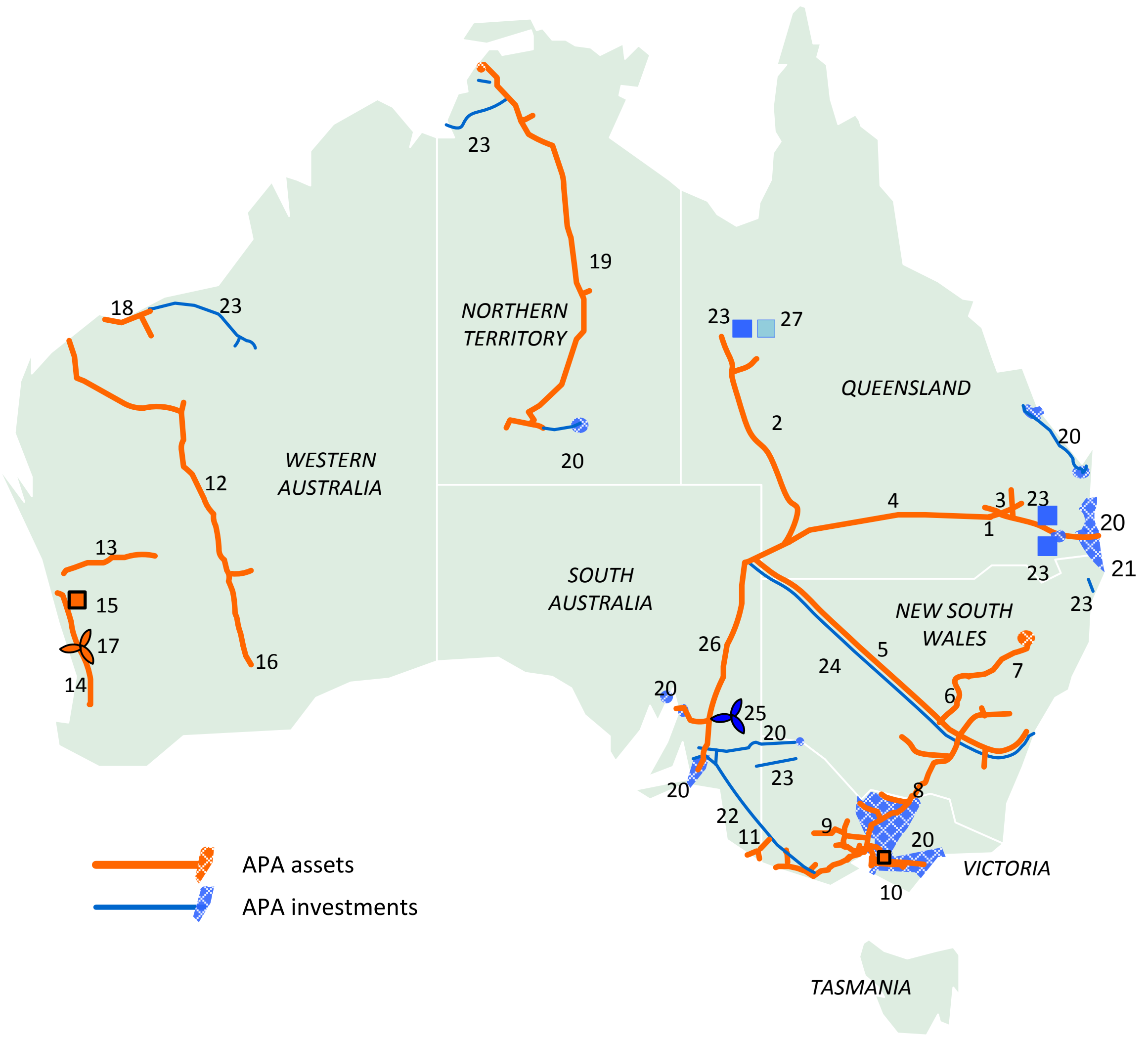
APA's major price regulated assets

- Regulatory resets over the next five years



- Roma Brisbane Pipeline access arrangement
  - AER's final decision (10 August 2012) includes 8.75% tariff increase
  - Minimal impact to APA's revenue – the majority of the pipeline's revenue is derived from haulage contracts with set terms, including pricing
- Victorian Transmission System access arrangement
  - AER issued its draft decision in September 2012
  - APA submitted a revised proposal with a modified capital program, a revised rate of return and expert evidence supporting APA's position that indexing of the capital is not required by the National Gas Law
  - Final decision by the AER is expected end of March 2013

APA asset and investment portfolio



APA Group assets and investments

Energy Infrastructure

Queensland
(1) Roma Brisbane Pipeline
(2) Carpentaria Gas Pipeline
(3) Berwyndale Wallumbilla Pipeline
(4) South West Queensland Pipeline

New South Wales
(5) Moomba Sydney Pipeline
(6) Central West Pipeline
(7) Central Ranges Pipeline
(8) NSW interconnect with Victoria

Victoria
(9) Victorian Transmission System
(10) Dandenong LNG facility

South Australia
(11) SESA & SEP Pipelines
(26) MAPS (to be divested)

Western Australia
(12) Goldfields Gas Pipeline (88.2%)
(13) Mid West Pipeline (50%)
(14) Parmelia Gas Pipeline
(15) Mondarra Gas Storage Facility
(16) Kalgoorlie Kambalda Pipeline
(17) Emu Downs wind farm
(18) Pilbara Pipeline System

Northern Territory
(19) Amadeus Gas Pipeline

Asset Management

Commercial and/or operational services to:
- Envestra Limited
- GDI (EII) - Allgas
- Energy Infrastructure Investments
- Ethane Pipeline Income Fund
- SEA Gas Pipeline
- EII2
- other third parties

Energy Investments

(20) **Envestra Limited (33.9%)**
Gas distribution networks and pipelines
(SA, Vic, Qld, NSW & NT)

(21) **GDI (EII) (20%)** Allgas
Gas distribution network in Queensland

(22) **SEA Gas Pipeline (50%)**

(23) **Energy Infrastructure Investments (19.9%)**
Gas pipelines, electricity transmission, gas-fired power stations and gas processing plants

(24) **Ethane Pipeline Income Fund (6.1%)**

(25) **EII2 (20.2%)** North Brown Hill wind farm

Under development

(27) **Diamantina Power Station (50%)**

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APA Group

Delivering Australia's energy

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